

VZCZCXYZ0001
PP RUEHWEB

DE RUEHEG #2311/01 3511402
ZNY CCCCC ZZH
P 171402Z DEC 09
FM AMEMBASSY CAIRO
TO RUEHC/SECSTATE WASHDC PRIORITY 4469
INFO RUEHAS/AMEMBASSY ALGIERS PRIORITY 0417
RUEATRS/DEPT OF TREASURY WASHDC PRIORITY
RUCPDO/DEPT OF COMMERCE WASHDC PRIORITY

C O N F I D E N T I A L CAIRO 002311

SENSITIVE
SIPDIS

DEPT FOR NEA/ELA AND NEA/EEB
DEPT OF COMMERCE FOR IT MAS AND NTIA

E.O. 12958: DECL: 12/17/2019

TAGS: [ECON](#) [EFIN](#) [PGOV](#) [EINV](#) [ETRD](#) [EG](#) [AG](#)

SUBJECT: ORASCOM TELECOM FACES FINANCIAL CHALLENGES FROM ALGERIAN GOVERNMENT ACTIONS REF: CAIRO 02261 Classified By: Minister Counselor for Economic Affairs
1.(C) Key Points: -- The Government of Algeria claims that Orascom Telecom of Algeria (OTA) owes \$596.6 million in back-taxes for the years 200

2.(C) Econcouns and Econoff met December 4 with Alex Shalaby, Chairman of Mobinil and close colleague of Naguib Sawiris, Chairman of Orascom Te

3.(C) Shalaby told us that OTA had an agreement with the Government of Algeria (GOA) for a five year "tax holiday," which includes the tax year

4. (C) Shalaby said he believes that the GOA has been unhappy with OTA for a number of years, in part because OTA and Orascom Telecom compete

5.(C) Shalaby asserted that U.S. investors, by virtue of their shares in OT, hold a majority interest in OTA. (Note: U.S. investors in OT inclu

6.(C) Shalaby noted that OTA could fight the tax issue through international arbitration. However, this process typically takes a very long tin